

VZCZCXRO2166  
RR RUEHCHI RUEHDT RUEHHM RUEHNH  
DE RUEHBD #0018 0150832  
ZNR UUUUU ZZH  
R 150832Z JAN 08  
FM AMEMBASSY BANDAR SERI BEGAWAN  
TO RUEHC/SECSTATE WASHDC 4061  
INFO RUCPDOG/USDOC WASHDC  
RUCNASE/ASEAN MEMBER COLLECTIVE

UNCLAS BANDAR SERI BEGAWAN 000018

SIPDIS

SIPDIS

STATE PASS USTR WASHDC

E.O. 12958: N/A  
TAGS: [ETRD](#) [ECON](#) [BX](#)  
SUBJECT: BRUNEI IMPLEMENTS EXCISE DUTY ORDER

¶1. The Government of Brunei has taken a first step to gradually remove import duties to fulfill its obligation under the various FTAs it has signed including the ASEAN FTA (compliance before 2010) and P4 (end trade tariffs by 2015). The Ministry of Finance held a series of industry education events just before the new year to prepare the public for the Customs Import Duties Order 2007 and the Excise Duty Order 2007 which came into force on January 1, 2008. The new orders affect three categories of goods -- cigarettes and tobacco, alcoholic beverages and motor vehicles for the transportation of persons and goods.

¶2. The Ministry of Finance stated that the objective of eliminating import duties and replacing them with excise duties is to fulfill the commitment of the country in reducing customs import tax locally, regionally and internationally, in order to promote trade with other countries. The new excise tax was imposed to fully offset the loss of customs duties (Comment: following the Singapore practice. End Comment.)

¶3. The Excise Duty Order was issued on April 12, 2007, allowing excise duty to be charged on any goods imported into or manufactured in Brunei, at applicable rates as set out in the first schedule of the order. With the implementation of the Excise Duty Order 2007, customs import duty will no longer be levied on the three types of goods. Instead, excise duty will be levied, at the same rate previously levied under the Customs Import Duties (Amendment) Order 2004 (Chapter 36 of the Customs Act).

¶4. Exemption from excise duty under certain categories remain, i.e. diplomatic privileges, used personal effects, samples, industrial machinery, etc.

SKODON